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November 11, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name:	Kurabo Industries Ltd.	
Listing:	Tokyo Stock Exchange	
Securities code:	3106	
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Scheduled date to file semi-annual securities report:	November 14, 2025	
Scheduled date to commence dividend payments:	December 5, 2025	
Preparation of supplementary material on financial results:	Yes	
Holding of financial results briefing:	Yes (for institutional investors and analysts)	

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	69,245	(3.6)	3,929	(7.3)	4,843	(5.0)	6,421	87.5
September 30, 2024	71,845	(1.1)	4,241	9.4	5,100	12.7	3,425	35.8

Note: Comprehensive income For the six months ended September 30, 2025: ¥9,445 million [91.6%]
For the six months ended September 30, 2024: ¥4,930 million [(51.8)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	384.12	—
September 30, 2024	193.12	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of September 30, 2025	Millions of yen 190,193	Millions of yen 125,701	% 65.4
March 31, 2025	190,529	121,182	62.9

Reference: Equity
As of September 30, 2025: ¥124,396 million
As of March 31, 2025: ¥119,805 million

2. Cash dividends

	Annual dividends per share					Total
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end		
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	60.00	–	120.00	180.00	
Fiscal year ending March 31, 2026	–	141.00				
Fiscal year ending March 31, 2026 (Forecast)			–	141.00	282.00	

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Full year	144,000	(4.4)	8,000	(22.4)	9,500	(19.4)	10,500	16.5	631.44

Note: Revisions to the forecast of financial results most recently announced: Yes

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None
(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements:
Yes

Note: For the details, please refer to “2. Semi-annual consolidated financial statements and significant notes thereto (4) Notes to semi-annual consolidated financial statements (Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)” on page 11 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatement: None

(4) Number of issued shares (common shares)
(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	18,000,000 shares
As of March 31, 2025	18,000,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,473,332 shares
As of March 31, 2025	1,071,382 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	16,716,148 shares
Six months ended September 30, 2024	17,736,360 shares

Note: The Company has introduced the Board Benefit Trust, a share-based compensation plan for directors, etc. using a trust, and the Company's shares held by the trust account are included in the number of treasury shares.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements and others)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Consequently, the statements herein do not constitute assurances regarding the Company's actual results. Actual financial and other results may differ substantially from the statements herein due to various factors. For matters regarding the above earnings forecasts, please refer to “1. Overview of operating results and others (3) Explanation of consolidated financial forecasts and other forward-looking statements” on page 4 of the attached materials.

(Regarding the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Thursday, November 20, 2025. The explanatory materials on financial results to be distributed at the briefing will be posted on the Company's website following the briefing.

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1. Overview of operating results and others

(1) Overview of operating results for the period under review

During the first six months of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025), the Japanese economy remained on a moderate recovery trend due to factors including improvement in consumer spending driven by improvements in the employment and income environment, and capital investment increases.

On the other hand, in addition to ongoing concerns about geopolitical risks, such as the prolonged conflicts in the Middle East and Ukraine, the impact of U.S. tariff policy is beginning to affect the global economy, contributing to continued instability.

In this type of environment, the Group has strived to expand priority businesses targeting the semiconductor production-related market and the life sciences-related market, and to enhance the earning capability of core businesses, primarily through structural reform in the textiles business, based on the basic policy of “enhance corporate value by accelerating the growth of high-profit businesses and efficiently utilizing management resources” in the medium-term management plan “Accelerate '27,” which started in April 2025.

As a result, net sales were ¥69.2 billion (down 3.6% YoY), operating profit was ¥3.92 billion (down 7.3% YoY), ordinary profit was ¥4.84 billion (down 5.0% YoY), and profit attributable to owners of parent was ¥6.42 billion (up 87.5% YoY), partly due to the recording of extraordinary income from the sale of cross-shareholdings.

Results by segment are as follows.

(Chemical Products)

High-performance plastic products experienced decreased revenue due to decreased orders for semiconductor production lines as a result of sluggish market conditions for semiconductors unrelated to AI use.

Functional films experienced a decrease in revenue as orders for automobile decreased in North America, despite solid orders for solar cells.

Industrial materials experienced increased revenue with steady orders of flexible polyurethane foam for automotive interiors, nonwoven fabrics for automotive filters and heat-insulating materials.

As a result, net sales were ¥29.8 billion (down 8.4% YoY) partly due to the impact of the transfer in the previous fiscal year of all equity stake of a Chinese subsidiary that was engaged in manufacturing and sales of flexible polyurethane foam for automotive interiors, while operating profit was ¥1.56 billion (down 32.4% YoY).

(Textiles)

Yarns experienced increased revenue due to steady sales of the high-performance product “NaTech,” which leverages raw material reforming technology.

Uniforms experienced increased revenue with orders of products for uniform apparel increasing.

Casual clothing experienced decreased revenue as orders of fabric for domestic SPAs (specialty retailers of private label apparel) decreased.

As a result, net sales were ¥22.1 billion (down 6.4% YoY), and partly due to the recording of non-recurring operating costs related to the closure of the Anjo Plant, operating loss was ¥0.52 billion (operating profit of ¥0.03 billion in the same period of the previous fiscal year).

(Advanced Technology)

Life science & technology businesses experienced increased revenue with orders for factory automation at a subsidiary increasing, despite weak performance for mixer/deaerator models due to the impact of U.S. tariff policy.

Electronics businesses experienced increased revenue with solid performance for chemical concentration meters for the semiconductor industry, and steady performance for infrastructure management systems for the railway industry and film thickness meters.

Engineering businesses experienced increased revenue due to solid performances in areas such as exhaust gas treatment facilities and strong sales for silicon wafer cleaning equipment and filter cleaning equipment at a subsidiary.

As a result, net sales were ¥10.0 billion (up 13.3% YoY) with operating profit of ¥1.83 billion (up 73.9% YoY).

(Food and Services)

Freeze-dried foods experienced increased revenue partly due to steady sales growth of instant noodle ingredients.

Hotels and their related services experienced increased revenue due to accommodations and restaurants progressing smoothly, fueled by strong demand from domestic travel and inbound tourism, along with demand for banquets showing signs of recovery.

As a result, net sales were ¥5.2 billion (up 7.3% YoY) with operating profit of ¥0.36 billion (up 70.0% YoY).

(Real Estate)

Real estate leasing benefited from increased revenue from new store openings in rental properties. Net sales were ¥1.9 billion (up 5.9% YoY), while operating profit was ¥1.24 billion (up 5.0% YoY).

(2) Overview of financial position for the period under review

(i) Assets, liabilities and net assets

Total assets at the end of the period under review decreased by ¥0.3 billion from the end of the previous fiscal year to ¥190.1 billion mainly due to a decrease in notes and accounts receivable - trade, and contract assets, although there was an increase in investment securities.

Liabilities decreased by ¥4.8 billion from the end of the previous fiscal year to ¥64.4 billion mainly due to decreases in short-term borrowings, and facility costs payable included in “other” under current liabilities, although there was an increase in deferred tax liabilities included in “other” under non-current liabilities.

Net assets increased by ¥4.5 billion from the end of the previous fiscal year to ¥125.7 billion mainly due to increases in retained earnings and valuation difference on available-for-sale securities, despite a decrease due to purchase of treasury shares.

As a result of the above, the equity-to-asset ratio was 65.4%, up 2.5 percentage points.

(ii) Cash flows

Cash and cash equivalents (hereinafter “cash”) at the end of the period under review decreased by ¥0.18 billion from the end of the previous fiscal year to ¥14.97 billion (¥14.21 billion at the end of the same period of the previous fiscal year). The respective cash flow positions and the factors thereof are as follows.

Cash flows from operating activities

Net cash provided by operating activities in the period under review was ¥9.02 billion (compared to ¥4.6 billion in net cash provided by operating activities in the same period of the previous fiscal year). This was due to factors that increased cash, such as profit before income taxes of ¥9.14 billion, an increase in cash of ¥3.78 billion from a decrease in trade receivables and contract assets, and internal reserves for depreciation of ¥2.41 billion, despite factors that decreased cash, such as gain on sale of short-term and long-term investment securities of ¥4.33 billion and income taxes paid of ¥1.53 billion.

Cash flows from investing activities

Net cash used in investing activities in the period under review was ¥0.35 billion (compared to ¥1.7 billion in net cash used in investing activities in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment and intangible assets of ¥3.98 billion, despite proceeds from sale of investment securities of ¥4.37 billion.

Cash flows from financing activities

Net cash used in financing activities in the period under review was ¥8.73 billion (compared to ¥4.9 billion in net cash used in financing activities in the same period of the previous fiscal year). This was mainly due to a net decrease in short-term borrowings of ¥3.66 billion, purchase of treasury shares of ¥2.9 billion, and dividends paid of ¥2.04 billion.

(3) Explanation of consolidated financial forecasts and other forward-looking statements

Based on recent trends in financial results, etc., we have changed our full-year consolidated financial forecasts for the fiscal year ending March 31, 2026, announced on May 14, 2025.

(i) Revisions to consolidated financial results forecasts

Revisions to consolidated financial results forecasts for the fiscal year ending March 31, 2026 (April 1, 2025 through March 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A)	Millions of yen 144,000	Millions of yen 8,000	Millions of yen 9,500	Millions of yen 9,500	Yen 566.96
Revised forecasts (B)	144,000	8,000	9,500	10,500	631.44
Change in amount (B-A)	0	0	0	1,000	—
Change (%)	0.0	0.0	0.0	10.5	—
(Reference) Previous fiscal year results (fiscal year ended March 31, 2025)	150,660	10,311	11,784	9,014	516.19

(Note) Regarding the forecasts of results by segment, please refer to “3. Others (Reference information) (4) Forecast of full-year financial results for the fiscal year ending March 31, 2026 (consolidated)” on page 18.

(ii) Reasons for revisions to full-year consolidated financial results forecasts

Regarding the full-year consolidated financial forecasts for the fiscal year ending March 31, 2026, Chemical Products segment will experience a decrease in revenue and profit compared to the previous forecast due to factors such as the expectation that the recovery of market conditions for semiconductors unrelated to AI use will be later than anticipated. However, overall net sales, operating profit, and ordinary profit are expected to match the previous forecast due to factors such as Advanced Technology segment's chemical concentration meters, film thickness meters, and factory automation have been performing well, leading to an increase in revenue and profit. Profit attributable to owners of parent is expected to exceed the previous forecast due to factors such as an increase in gain on sale of investment securities.

2. Semi-annual consolidated financial statements and significant notes thereto

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	15,192	15,003
Notes and accounts receivable - trade, and contract assets	29,699	25,932
Electronically recorded monetary claims - operating	7,480	7,353
Merchandise and finished goods	12,970	12,733
Work in process	7,711	7,011
Raw materials and supplies	8,295	8,375
Other	3,613	3,513
Allowance for doubtful accounts	(127)	(127)
Total current assets	84,835	79,795
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,828	21,294
Other, net	22,439	22,177
Total property, plant and equipment	44,268	43,471
Intangible assets	1,533	1,493
Investments and other assets		
Investment securities	55,994	61,672
Other	4,106	3,977
Allowance for doubtful accounts	(209)	(216)
Total investments and other assets	59,891	65,432
Total non-current assets	105,693	110,397
Total assets	190,529	190,193
Liabilities		
Current liabilities		
Notes and accounts payable - trade	15,956	14,896
Electronically recorded obligations - operating	3,380	3,400
Short-term borrowings	8,003	4,042
Income taxes payable	1,630	2,871
Provision for bonuses	1,506	1,521
Other	9,025	7,008
Total current liabilities	39,502	33,740
Non-current liabilities		
Long-term borrowings	2,353	2,255
Provision for retirement benefits for directors (and other officers)	175	128
Provision for share-based payments	222	234
Retirement benefit liability	12,120	11,766
Other	14,971	16,366
Total non-current liabilities	29,843	30,751
Total liabilities	69,346	64,491

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	22,040	22,040
Capital surplus	15,240	15,240
Retained earnings	67,471	71,843
Treasury shares	(4,240)	(7,099)
Total shareholders' equity	100,511	102,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,560	29,813
Deferred gains or losses on hedges	(17)	19
Foreign currency translation adjustment	(7,110)	(7,343)
Remeasurements of defined benefit plans	(139)	(116)
Total accumulated other comprehensive income	19,293	22,372
Non-controlling interests	1,376	1,304
Total net assets	121,182	125,701
Total liabilities and net assets	190,529	190,193

(2) Semi-annual consolidated statement of income and semi-annual consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	71,845	69,245
Cost of sales	57,189	54,690
Gross profit	14,656	14,555
Selling, general and administrative expenses	10,415	10,625
Operating profit	4,241	3,929
Non-operating income		
Interest income	61	90
Dividend income	803	988
Share of profit of entities accounted for using equity method	30	–
Other	278	102
Total non-operating income	1,173	1,181
Non-operating expenses		
Interest expenses	169	104
Share of loss of entities accounted for using equity method	–	5
Other	143	156
Total non-operating expenses	313	267
Ordinary profit	5,100	4,843
Extraordinary income		
Gain on sale of investment securities	–	4,337
Total extraordinary income	–	4,337
Extraordinary losses		
Loss on disposal of non-current assets	–	32
Total extraordinary losses	–	32
Profit before income taxes	5,100	9,148
Income taxes	1,638	2,722
Profit	3,461	6,426
Profit attributable to non-controlling interests	36	5
Profit attributable to owners of parent	3,425	6,421

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	3,461	6,426
Other comprehensive income		
Valuation difference on available-for-sale securities	1,310	3,249
Deferred gains or losses on hedges	(139)	36
Foreign currency translation adjustment	278	(271)
Remeasurements of defined benefit plans, net of tax	(5)	22
Share of other comprehensive income of entities accounted for using equity method	26	(18)
Total other comprehensive income	<u>1,469</u>	<u>3,018</u>
Comprehensive income	4,930	9,445
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,825	9,499
Comprehensive income attributable to non-controlling interests	105	(54)

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	5,100	9,148
Depreciation	2,561	2,416
Increase (decrease) in retirement benefit liability	(151)	(299)
Increase (decrease) in provision for share-based payments	13	11
Increase (decrease) in allowance for doubtful accounts	(6)	(2)
Interest and dividend income	(864)	(1,078)
Interest expenses	169	104
Foreign exchange losses (gains)	(2)	0
Share of loss (profit) of entities accounted for using equity method	(30)	5
Loss (gain) on sale of property, plant and equipment and intangible assets	(1)	(23)
Loss on retirement of property, plant and equipment and intangible assets	1	16
Loss (gain) on sale of short-term and long-term investment securities	–	(4,337)
Decrease (increase) in accounts receivable - trade, and contract assets	3,941	3,786
Decrease (increase) in inventories	(1,522)	682
Increase (decrease) in trade payables	(1,948)	(920)
Other, net	(868)	88
Subtotal	6,391	9,600
Interest and dividends received	869	1,062
Interest paid	(209)	(106)
Subsidies received	13	8
Income taxes paid	(2,463)	(1,536)
Net cash provided by (used in) operating activities	4,600	9,028
Cash flows from investing activities		
Decrease (increase) in time deposits	6	6
Purchase of property, plant and equipment and intangible assets	(1,729)	(3,982)
Proceeds from sale of property, plant and equipment and intangible assets	16	22
Purchase of investment securities	(2)	(1,003)
Proceeds from sale of investment securities	–	4,376
Loan advances	(1)	–
Proceeds from collection of loans receivable	68	239
Other, net	(59)	(12)
Net cash provided by (used in) investing activities	(1,701)	(352)

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,297)	(3,660)
Proceeds from long-term borrowings	464	–
Repayments of long-term borrowings	(395)	(183)
Purchase of treasury shares	(1,687)	(2,901)
Proceeds from sale of treasury shares	0	–
Repayments of lease liabilities	(72)	(65)
Dividends paid	(1,083)	(2,042)
Other, net	167	117
Net cash provided by (used in) financing activities	(4,904)	(8,735)
Effect of exchange rate change on cash and cash equivalents	99	(122)
Net increase (decrease) in cash and cash equivalents	(1,905)	(181)
Cash and cash equivalents at beginning of period	16,123	15,158
Cash and cash equivalents at end of period	14,218	14,977

(4) Notes to semi-annual consolidated financial statements

(Notes on premise of going concern)

Not applicable.

(Notes to accounting treatment specific to the preparation of semi-annual consolidated financial statements)

(Calculation of cost of tax)

The effective tax rate after applying the accounting effect of taxes on profit before taxes for the fiscal year including the period under review is reasonably estimated, and profit before taxes is multiplied by the estimated effective tax rate to calculate cost of tax. However, if the calculation of the cost of tax using the estimated effective tax rate results in significantly unreasonable results, the effective statutory tax rate is used.

(Notes on semi-annual consolidated balance sheet)

Contingent liabilities

On June 30, 2022, a fire broke out at the logistics facility Ami No. 2 Logistics Center of SBS Flec Co., Ltd. (location: 6-1 Hoshinosato, Ami-machi, Inashiki-gun, Ibaraki) at which the Company's Chemical Products Division had conducted heat-insulating work. The fire was extinguished on July 5, 2022. Regarding this fire accident (hereinafter the "Fire Accident"), on September 6, 2023, SBS Flec Co., Ltd. filed a lawsuit seeking compensation for damages against three companies related to the Fire Accident, including the Company, for around ¥4.4 billion in damages concerning entrusted cargo, etc. that perished, and on October 24, 2024, there was an application for amending the damages claim to around ¥4.0 billion.

In addition, on March 31, 2025, Sompo Japan Insurance Inc. filed a lawsuit seeking compensation for damages against three companies related to the Fire Accident, including the Company, for around ¥3.6 billion in damages based on insurance subrogation for damages concerning buildings and other assets that were destroyed or damaged by the Fire Accident (hereinafter the "Lawsuit").

The Company had previously announced that in relation to the fact that SBS Flec Co., Ltd., the owner of the logistics facility involved, had received an insurance payment of approximately ¥5.2 billion from an insurance company for damages related to buildings and other assets destroyed or damaged by the Fire Accident, there was a possibility of the Company being pursued for recovery by that insurance company. The Lawsuit was filed on the grounds that Sompo Japan Insurance Inc. acquired part of SBS Flec Co., Ltd.'s right to claim damages related to the Fire Accident through subrogation, after SBS Flec Co., Ltd. received an insurance payment based on a jointly underwritten insurance policy with Sompo Japan Insurance Inc. and others for the buildings and assets affected by the Fire Accident.

The Company has evaluated the details of these claims in these lawsuits seeking compensation for damages and is responding as appropriate through our attorneys.

Based on the jointly underwritten insurance policy entered into by SBS Flec Co., Ltd., and other insurance companies, there is a possibility that the Company will also be pursued for recovery by other insurance companies.

Furthermore, related to the Fire Accident, for around ¥1.1 billion initially estimated for the demolition costs for the Ami No. 2 Logistics Center, we received a notification from the relevant companies that around ¥0.68 billion in costs had been incurred at the end of April 2023. Depending on the future proceedings of the lawsuits for compensation for damages and the results of discussion, the Company could incur damages.

(Additional information)

We believe that the incurrence of damages to the Company related to the lawsuits for compensation for damages as well as the impact on earnings will become clear as a result of the future proceedings of the lawsuits for compensation for damages and the results of discussion, and the details and amounts of any damages to the Company from the Fire Accident have not been determined at this point in time. The Company will announce any specific impact on earnings in the future as soon as it becomes clear.

(Notes on significant changes in the amount of shareholders' equity)

(Purchase of treasury shares)

Based on the resolution of the board of directors meeting held on November 7, 2024, the Company acquired 367 thousand shares of treasury shares. As a result, treasury shares were ¥7,099 million as of September 30, 2025, following an increase in treasury shares of ¥2,547 million during the six months ended September 30, 2025.

(Notes on segment information, etc.)

[Segment information]

I Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the semi- annual consolidated statement of income (Note 2)
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	32,592	23,650	8,866	4,873	1,862	71,845	–	71,845
Intersegment sales or transfers	21	27	93	21	218	383	(383)	–
Total	32,613	23,677	8,960	4,895	2,080	72,228	(383)	71,845
Segment profit	2,312	35	1,052	217	1,186	4,804	(563)	4,241

(Notes) 1. The segment profit adjustment of negative ¥563 million includes company-wide expenses of negative ¥569 million and other adjustments of ¥6 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
2. Segment profit is adjusted with operating profit in the semi-annual consolidated statement of income.

II Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Information on the amounts of sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segments						Adjustments (Note 1)	Amount recorded in the semi- annual consolidated statement of income (Note 2)
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	Total		
Sales								
Sales to outside customers	29,869	22,131	10,044	5,230	1,971	69,245	–	69,245
Intersegment sales or transfers	67	26	952	23	217	1,287	(1,287)	–
Total	29,936	22,157	10,996	5,253	2,189	70,533	(1,287)	69,245
Segment profit (loss)	1,564	(524)	1,830	369	1,245	4,484	(555)	3,929

(Notes) 1. The segment profit or loss adjustment of negative ¥555 million includes company-wide expenses of negative ¥540 million and other adjustments of negative ¥14 million. Company-wide expenses are mainly R&D expenses not attributable to the reportable segment.
2. Segment profit or loss is adjusted with operating profit in the semi-annual consolidated statement of income.

(Notes on revenue recognition)

Information on disaggregation of revenue from contracts with customers

As a result of organizational changes implemented on April 1, 2025, from the first six months of the fiscal year ending March 31, 2026, the types of goods and services that belong to the Chemical Products segment have changed from “flexible polyurethane foam,” “functional resin products (functional films and high-performance plastic products),” “housing construction products (synthetic wood, inorganic building materials, and rigid polyurethane foam),” and “others (nonwoven fabrics and functional materials)” to “high-performance plastic products,” “functional films,” and “industrial materials (flexible polyurethane foam, synthetic wood, inorganic building materials, rigid polyurethane foam, nonwoven fabrics, and functional materials).” The types of goods and services that belong to the Textiles segment have changed from “yarns,” “fabrics,” and “textile products” to “yarns,” “uniforms,” and “casual clothing.” The types of goods and services that belong to the Advanced Technology segment have changed from “electronics,” “engineering,” and “others (bio-related products)” to “life science & technology businesses (bio-related products, robot vision, and automation equipment),” “electronics businesses,” and “engineering businesses.” Note that the breakdown by type of goods or services for the six months ended September 30, 2024 has been presented based on the new segment classification.

[Breakdown by type of goods or services]

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Reportable segments					Total
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	
High-performance plastic products	8,975	—	—	—	—	8,975
Functional films	5,161	—	—	—	—	5,161
Industrial materials	21,142	—	—	—	—	21,142
Yarns	—	8,212	—	—	—	8,212
Uniforms	—	5,388	—	—	—	5,388
Casual clothing	—	12,316	—	—	—	12,316
Life science & technology businesses	—	—	2,091	—	—	2,091
Electronics businesses	—	—	3,468	—	—	3,468
Engineering businesses	—	—	4,006	—	—	4,006
Freeze-dried foods	—	—	—	3,415	—	3,415
Services	—	—	—	1,479	—	1,479
Intersegment sales	(2,688)	(2,267)	(700)	(21)	—	(5,677)
Revenue from contracts with customers	32,592	23,650	8,866	4,873	—	69,982
Other revenue	—	—	—	—	1,862	1,862
Sales to outside customers	32,592	23,650	8,866	4,873	1,862	71,845

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Reportable segments					Total
	Chemical Products	Textiles	Advanced Technology	Food and Services	Real Estate	
High-performance plastic products	6,998	—	—	—	—	6,998
Functional films	4,770	—	—	—	—	4,770
Industrial materials	21,247	—	—	—	—	21,247
Yarns	—	9,085	—	—	—	9,085
Uniforms	—	5,454	—	—	—	5,454
Casual clothing	—	10,347	—	—	—	10,347
Life science & technology businesses	—	—	2,425	—	—	2,425
Electronics businesses	—	—	3,764	—	—	3,764
Engineering businesses	—	—	5,067	—	—	5,067
Freeze-dried foods	—	—	—	3,604	—	3,604
Services	—	—	—	1,648	—	1,648
Intersegment sales	(3,148)	(2,756)	(1,212)	(23)	—	(7,140)
Revenue from contracts with customers	29,869	22,131	10,044	5,230	—	67,274
Other revenue	—	—	—	—	1,971	1,971
Sales to outside customers	29,869	22,131	10,044	5,230	1,971	69,245

(Notes on significant subsequent events)

(Share repurchase and cancellation of treasury shares)

The Company resolved, at its Board of Directors' meeting held on November 11, 2025, the matters concerning the repurchase of own shares under the provisions of Article 156 of the Companies Act, as applied the following the deemed replacement of terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act, and to cancel its treasury shares under the provisions of Article 178 of the same Act. The details are described below.

1. Reason for repurchase of own shares and cancellation of treasury shares

The Company's policy is to repurchase its own shares and cancel its treasury shares, aiming to enhance shareholder returns and improve capital efficiency, as part of its financial and capital policies under the medium-term management plan.

2. Details of matters related to repurchase

(1) Type of shares to be repurchased	Shares of common stock of the Company
(2) Total number of shares to be repurchased	Up to 1,000,000 shares (5.98% of the total number of issued shares, excluding treasury shares)
(3) Total amount of repurchase costs	Up to 7.0 billion yen
(4) Repurchase period	From November 12, 2025 to September 30, 2026
(5) Method of repurchase	Market purchases on the Tokyo Stock Exchange, including those through brokerage on the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)

3. Details of matters relating to cancellation

(1) Type of shares to be cancelled	Shares of common stock of the Company
(2) Total number of shares to be cancelled	1,000,000 shares (5.56% of the total number of issued shares before cancellation)
(3) Total number of issued shares after cancellation	17,000,000 shares
(4) Scheduled date of cancellation:	November 25, 2025

3. Others

(Reference information)

(1) Changes in the number of employees (consolidated) (Persons)

As of Sept. 30, 2023	4,184
As of Sept. 30, 2024	3,949
As of Sept. 30, 2025	3,833
As of Mar. 31, 2024	3,899
As of Mar. 31, 2025	3,881

Note: In addition to the above, there are also temporary employees and part-timers (869 as of Sept. 30, 2025).

(2) Changes in the balance of interest-bearing debt (consolidated) (Millions of yen)

As of Sept. 30, 2023	12,667
As of Sept. 30, 2024	9,892
As of Sept. 30, 2025	6,297
As of Mar. 31, 2024	11,645
As of Mar. 31, 2025	10,356

Note: Total amount of long-term and short-term borrowings.

(3) Trends in amount of capital investment and depreciation (consolidated) (Millions of yen)

	Amount of capital investment	Depreciation
Six months ended Sept. 30, 2023	2,045	2,447
Six months ended Sept. 30, 2024	1,814	2,561
Six months ended Sept. 30, 2025	1,894	2,416
Fiscal year ended Mar. 31, 2024	4,959	5,086
Fiscal year ended Mar. 31, 2025	7,156	5,157
Fiscal year ending Mar. 31, 2026 (Forecast)	7,300	5,000

(4) Forecast of full-year financial results for the fiscal year ending March 31, 2026 (consolidated)
(Millions of yen)

		Fiscal year ended Mar. 31, 2025	Fiscal year ending Mar. 31, 2026 (Previous forecast)	Fiscal year ending Mar. 31, 2026 (Revised forecast)
Net sales	Chemical Products	66,002	64,000	62,500
	Textiles	48,532	43,500	43,500
	Advanced Technology	21,943	22,200	23,200
	Food and Services	10,458	10,500	11,000
	Real Estate	3,723	3,800	3,800
	Total	150,660	144,000	144,000
Operating profit	Chemical Products	5,030	3,900	3,500
	Textiles	75	(700)	(700)
	Advanced Technology	3,341	3,000	3,400
	Food and Services	724	700	700
	Real Estate	2,243	2,200	2,200
	Eliminations and corporate	(1,104)	(1,100)	(1,100)
Total		10,311	8,000	8,000
Ordinary profit		11,784	9,500	9,500
Profit attributable to owners of parent		9,014	9,500	10,500